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March 27, 2006

CERTIFICATE OF SERVICE

RE: Case No. 2006-00103  
Louisville Gas and Electric Company

I, Beth O'Donnell, Executive Director of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the addressee by U.S. Mail on March 27, 2006.

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Executive Director

BOD/sh  
Enclosure

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ADJUSTMENTS TO THE DEMAND-SIDE	)	
MANAGEMENT BALANCE ADJUSTMENT	)	
COMPONENT ("DBA") OF THE DEMAND-SIDE	)	CASE NO.
MANAGEMENT COST RECOVERY MECHANISM	)	2006-00103
OF LOUISVILLE GAS AND ELECTRIC COMPANY	)	

O R D E R

On March 3, 2006, Louisville Gas and Electric Company ("LG&E") filed proposed changes to the Demand-Side Management Balance Adjustment ("DBA") component of its Demand-Side Management Cost Recovery ("DSMCR") tariffs. The changes are based on LG&E's over- or under-recovery of demand-side management program costs incurred in calendar year 2005. The proposed tariffs include an effective date of April 3, 2006. The revised DBA components, with the proposed changes, will remain in effect for 12 months.

LG&E's proposed gas tariff includes increased DBA charges for gas customers served under Residential Rate RGS, Commercial Gas Service Rate CGS, As Available Gas Service Rate AAGS, Transportation Service Rate TS, and Firm Transportation Rate FT. LG&E's proposed electric tariff includes reduced DBA charges for electric customers served under Residential Rate R, Volunteer Fire Department Rate VFD and Residential Prepaid Metering Rate RPM. It also includes increased DBA charges for electric customers served under General Service Rate GS, Small Time-of-Day Rate STOD, Large Commercial Rate LC, and Large Commercial Time-of-Day Rate LC-TOD.

Based on a review of the revised tariffs and the supporting calculations of LG&E's over- and under-recoveries of DSM costs in 2005, the Commission finds that LG&E's proposed tariff changes are reasonable and should be approved effective April 3, 2006.

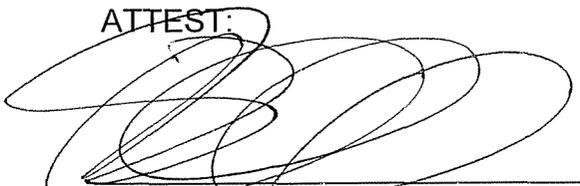
IT IS THEREFORE ORDERED that:

1. LG&E's proposed changes to its DSMCR tariffs are approved effective April 3, 2006.
2. Within 10 days of the date of this Order, LG&E shall file its revised DSMCR tariffs that show the date issued and that they were issued by authority of this Order.

Done at Frankfort, Kentucky, this 27<sup>th</sup> day of March, 2006.

By the Commission

ATTEST:



Executive Director